

**Fairfax County Small Business Commission
Small Business News**

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July 2014 Newsletter

Virginia Benefits Market Aiming to Help Small Businesses with Health Insurance

The Virginia Chamber of Commerce announced a new program called the Virginia Benefits Market, an insurance exchange which will allow small business owners to provide health benefits to their employees that were once unavailable to them. The Benefits Market is a partnership between the state and Chamber Solutions, a cooperative that provides insurance for 20,000 small business employees. The program was initiated in order to help small businesses effectively compete with big businesses.

The Benefits Market will provide small businesses a platform to select from a variety of health insurance carriers and other benefits. Previously, small businesses were left out of the federal exchange program, and not given the opportunity to use the service when the Affordable Care Act was signed. Through the new private exchange initiative, a small business employer will be able to list the amount of health benefits it is able to cover and the employee will be responsible for the remaining balance, allowing them to compete with larger companies. The Virginia Chamber of Commerce will be one of the 12 state chambers that offer this service and it hopes to have it started before the end of 2014.

http://www.roanoke.com/business/virginia-chamber-announces-insurance-exchange-for-small-businesses/article_9d8c70c2-62fc-5c27-ba7e-e491358ae6ba.html

Small Business Administration Redefines “Small Business”

The Small Business Administration has revised its size standard of what companies will qualify as small businesses. The standard is usually configured by the number of employees or average annual receipts, in determining which companies will be considered a small business for SBA and federal contracting programs. The

standard change will allow an additional 8,400 companies to be considered as small businesses, allowing them to become eligible for SBA’s financial and federal government procurement programs.

The definition of “small” business varies by industry. However, the definition acts as a threshold for a company to be classified as a small business and qualify for small business assistance. A list of the new “small” size standards can be located at <http://www.sba.gov/size>.

The SBA is expecting the adjustment to lead to more than \$150 million to \$200 million in additional federal contracts being awarded to small businesses and 80 additional loans totaling \$30 million. However, there will now be more “small” businesses vying for SBA financing options, which has led some critics to believe that the adjustment will make it more difficult for businesses with only a handful of employees to win contracts or loans.

<http://smallbusiness.foxbusiness.com/entrepreneurs/2014/06/25/sba-changes-definition-small-business-what-does-it-mean/>

House Approves Small-Business Tax Break

On June 12, the House voted on a permanent tax relief allowing small businesses to write off up to \$500,000.00, in new equipment purchases. Congress is thereby building momentum for congressional efforts to extend a range of now-temporary tax breaks. Democrats say House Republicans’ efforts would force cuts in spending, particularly from social programs. Some argue these breaks will make it more difficult to revise the tax code. Conflicts over details and extensions are likely to continue until after the November election.

<http://online.wsj.com/articles/house-approves-permanent-small-business-tax-break-1402590965>

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